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Message from the CEO –

As we entered the Seventh Administration, much of our time has been spent crafting strategic plans for the next five years. The ASB's mandate and our core activities will remain unchanged as our mandate is set out in the PFMA. However, we can choose how to execute our work, where to focus our efforts, and whether and how implement measures to improve our impact.

Unity

The success of the new Administration rests with the Government of National Unity. The key word is "unity" – the concept of 'being together' or 'being in agreement'. Strong public financial management (PFM) depends on a system of credible and robust organisations that each make a unique contribution to the PFM system. Working together with organisations that share a similar purpose with the ASB will be a key activity over the next five years.

There are several organisations that have some responsibility for financial reporting in the sector. For example, the ASB sets financial reporting Standards, the Office of the Accountant-General supports the implementation of the Standards, the Auditor-General of South Africa (and firms) ensures the principles in the Standards are applied, professional bodies provide support to the financial professionals who apply the Standards, and tertiary institutions educate potential finance professionals.

Collaboration

Each organisation has their own team of experts, who operate within specific constraints – usually the amount of time they have available to dedicate to issues, the extent of their skill and experience, and lastly, financial resources. While there is no doubt that each team and their respective organisations add value on their own, working together as a collective creates "critical mass", and can achieve far more than any one individual entity. As a result, a key focus of our work going forward will be ensuring more collaboration with stakeholders within the PFM environment to focus our collective efforts so that we can be stronger together and contribute to building a capable state.

Working together to build a capable state

Building a capable state is a key objective of the National Development Plan and is seen as critical to economic growth. Given the current level of maladministration and poor financial management, building a capable state will require action by every entity – and every individual - in the PFM ecosystem. It is through collective collaboration and co-operation that we will be able to develop capable professionals; produce capable organs of state; a capable, developmental state; and a functioning democracy.

We look forward to working with everyone in our environment over the next five years as we move together in unity to build and uplift the country we love so much.

#stongertogether

ASB work programme consultation 2027-2029: What international standards should we consider?

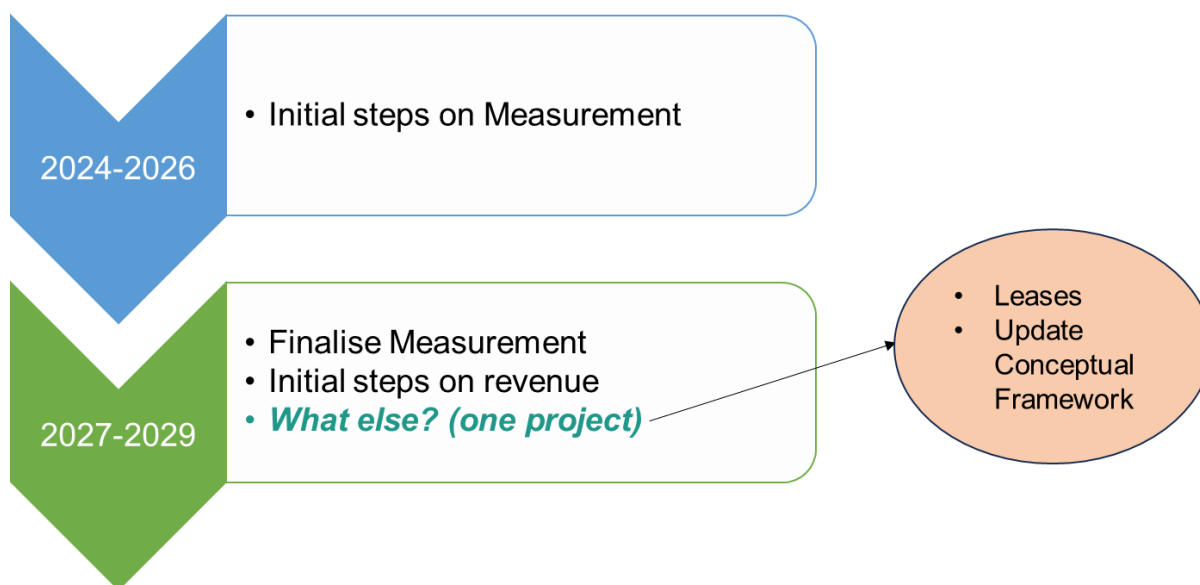
The Board is required to consider best practice locally and internationally in developing Standards of GRAP. As such, most of the Standards and other pronouncements are based on international standards, being IPSAS and, where relevant, IFRS Accounting Standards.

It is important to identify new international standards that could be relevant to the local environment, as well as whether existing Standards of GRAP based on international equivalents need revision

However, as much as it is important that the Standards of GRAP do not fall behind international best practice, we do not want to simply “change for the sake of change”. We need to ensure that any projects taken on locally address a particular deficiency and are justified.

As a result, an important initial step in developing local Standards based on international equivalents is understanding if a deficiency exists, what the implications would be of adopting international standards and what guidance may be needed to respond to local public sector needs

The below illustrates the planned work periods for current and upcoming projects and potential international work in the 2027-2029 period.



Based on the status of international standards, the Board believes there is merit in undertaking work on either leases or to update the *Conceptual Framework for General Purpose Financial Reporting*.

Access more information about the work programme consultation on our website [here](#).

ASB work programme consultation 2027-2029: What maintenance or enhancements are needed to the Standards?

The Board undertakes “routine” maintenance activities as part of every work programme.

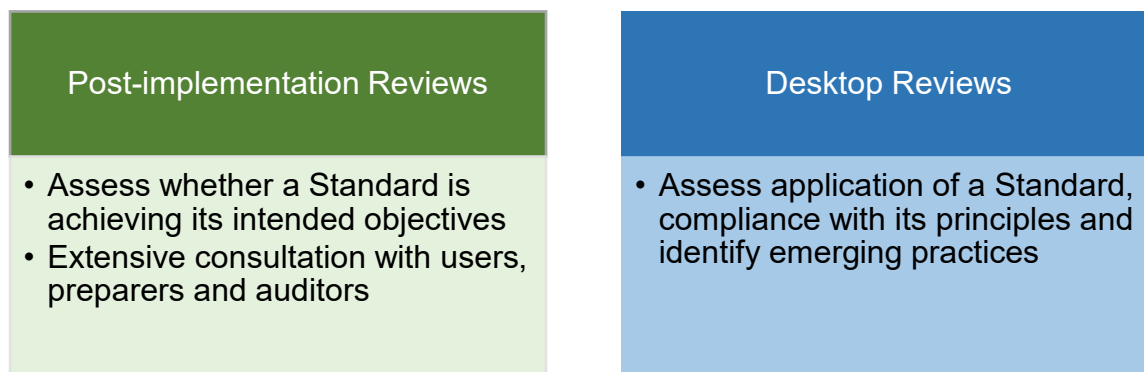
The primary maintenance activity is the Improvements Project, which is done once every three years. An important component of the Improvements is to hear from stakeholders whether there are any minor changes that could be made to the Standards of GRAP to improve their application. For example, additional explanatory guidance on an issue may be needed in a Standard, or there may be potential inconsistencies in the requirements of different Standards that need to be aligned.

Another maintenance activity is the Board publishes an Annexure to Directive 5 on Determining the GRAP Reporting Framework in October each year. The Annexure specifies the changes to the reporting framework from one year to the next. The full reporting framework is published outside the Directive on the ASB website. Many stakeholders rely on the Annexures when preparing financial statements and this is an annual activity that the Board intends to continue with.

Access more information about the work programme consultation on our website [here](#).

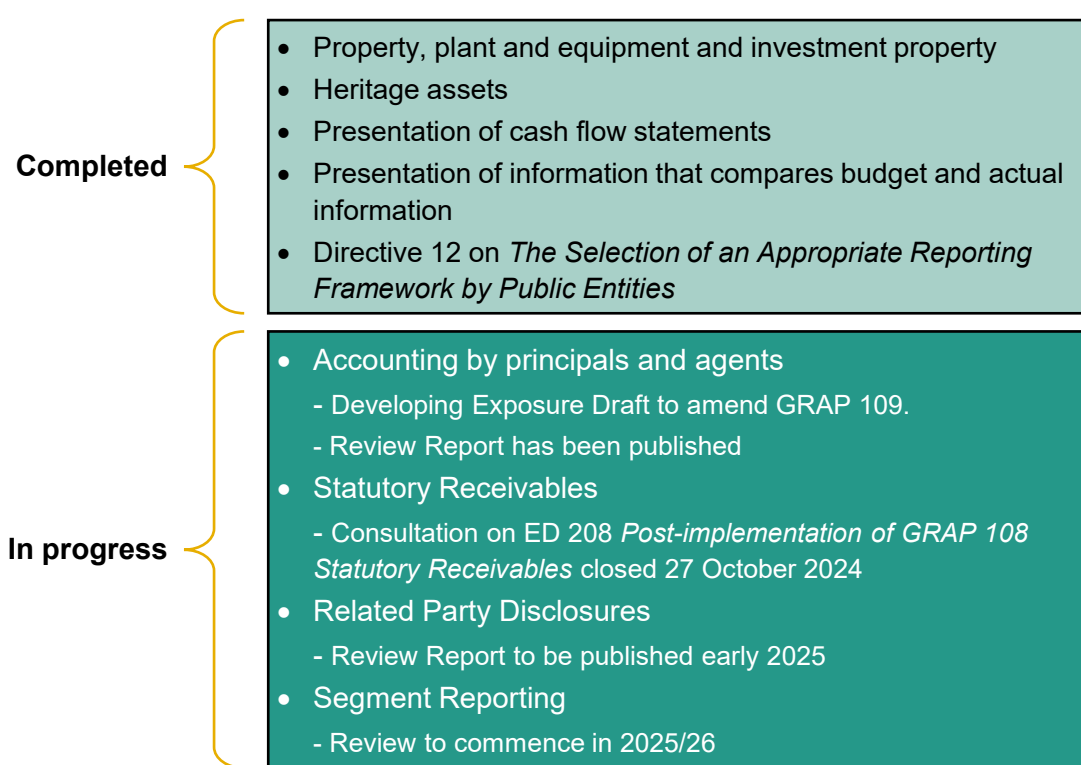
ASB work programme consultation 2027-2029: Which Standards of GRAP should be reviewed?

An important part of the standard-setting process is to ensure that the Standards of GRAP are effective and have been applied as intended. The Board does this through two types of reviews:



The results of the reviews are published in Review Reports, progress reports, or through other means of communication.

The Board recently reviewed, or are in the process of reviewing, the following Standards.



The Board only reviews Standards that are effective and have been fully implemented (i.e. the transitional provisions have expired). Any of the Standards that are effective are eligible for review during 2027-2029. The Standards recently reviewed are not considered a priority.

Materiality

Materiality remains an issue identified through the ASB's projects and in various forums. This is despite the Guideline on the Application of *Materiality to Financial Statements* and other supporting material developed by the Secretariat, such as a [Fact Sheet](#), [FAQ](#) and content on the [ASB's YouTube Channel](#).

The Board considers there is a need for a project to assess various aspects of materiality from the perspectives of preparers, users and auditors.

Access more information about the work programme consultation on our website [here](#).



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